

D.T.E. 01-71B

Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 164, §§ 1E, 76 and 93, into Massachusetts Electric Company's service quality filings, including but not limited to, their service quality filings submitted in response to Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84.

PROCEDURAL ORDER

I. INTRODUCTION

On September 7, 2001, the Department of Telecommunications and Energy (“Department”) opened an investigation into the quality of electric service provided by the electric distribution companies. Investigation into Quality of Electric Service, D.T.E. 01-71 (2001). The Department stated that this investigation will include, but is not limited to, the service quality (“SQ”) plan that Massachusetts Electric Company and Nantucket Electric Company (“MECo” or “Company”) filed pursuant to the Order issued by the Department on June 29, 2001 in Service Quality Standards for Electric Distribution Companies and Local Gas Distribution Companies, D.T.E. 99-84.¹ Id. at 1.

The Department stated that this investigation will determine whether MECo’s SQ plan and performance complies with the guidelines established by D.T.E. 99-84 pursuant to

¹ On October 29, 2001, MECo filed an Offer of Settlement in D.T.E. 99-84. By letter dated October 31, 2001, the Department informed the Company that the Offer of Settlement did not apply the guidelines as set forth in D.T.E. 99-84, and therefore was incomplete. The Department requested that MECo supplement its filing with a SQ plan that applied the guidelines. MECo made this supplemental filing (“SQ Plan”). By Letter Order dated December 5, 2001, the Department declined to accept MECo’s Offer of Settlement at this time. Letter Order at 7. The Department permitted MECo and the settling parties to file “such additional support for their Offer in D.T.E. 01-71B as they see appropriate and, [the Department] will further consider the Offer.” Id.

In addition, the Department assessed MECo’s SQ Plan and found that certain SQ measures and reporting requirements were either not in strict compliance with the guidelines established in D.T.E. 99-84 or were not consistent with the intent of the guidelines. Id. MECo was directed to file a revised SQ plan (“Revised SQ Plan”) no later than the close of business on December 10, 2001. Id. This Revised SQ Plan, will be investigated in D.T.E. 01-71B. At the conclusion of D.T.E. 01-71B, “the Department may determine that modification of the SQ plans is appropriate. . . . The Department’s approval of MECo’s [Revised SQ Plan] will be subject to modification” Id. at 8.

G.L. c. 164, § 1E.² Id. In addition, the Department stated it will consider its directives to MECo in Massachusetts Electric Company /Eastern Edison Company, D.T.E. 99-47, at 30-32 (2000) as a basis for applying SQ penalties for the period between merger/acquisition consummation and the start of statutory penalties established pursuant to D.T.E. 99-84. Id. In this phase of the investigation, the Department will focus on: (1) whether MECo has met the service quality thresholds established by the Department in D.T.E. 99-84 beginning May 1, 2000; and (2) if not, what penalties should be imposed by the Department on the Company.³

² The Department's Order in D.T.E. 99-84 established SQ guidelines and penalties to be included in performance-based regulation plans and SQ plans for gas and electric distribution companies pursuant to G.L. c. 164, § 1E. The Order specified performance standards and reporting requirements for customer service and billing, customer satisfaction, staffing levels, safety, and reliability. The Order also named other performance categories for which reporting of information is required but for which G.L. c. 164, § 1E per se makes no express penalty provision. General Laws c. 164, § 93, however, authorizes broader investigation.

³ By letter dated August 10, 2001, the Department directed MECo and the other Chapter 164 electric companies to undertake an examination of the underlying causes for the distribution system outages experienced during Summer 2001, a diagnosis of any operational or physical problems in the distribution system, and a plan to reduce or, where feasible, eliminate the risk of recurrence ("Self-Assessment Reports"). On August 24, 2001, the Department opened an investigation into MECo's Self-Assessment Report. Order Opening Investigation, D.T.E. 01-68. Additional public hearings will be held in D.T.E. 01-68 and the other related dockets starting on or about January 15-17, 2002. The Department takes administrative notice in this present docket of the October 29, 2001 Self-Assessment Reports filed in D.T.E. 01-68. 220 C.M.R. § 1.10(3).

II. PROCEDURAL SCHEDULE

After due consideration, we determine that the following schedule will allow the Department to conduct this proceeding in the most efficient manner:

Intervention Deadline	November 19, 2001
Service Territory Public Hearings	November 26, 2001 November 27, 2001 November 29, 2001 December 20, 2001 ⁴
Discovery Begins	December 6, 2001
Filing of Company Revised SQ Plan with All Required Calculations	December 10, 2001 ⁵
Pre-Filed Testimony of MECo	December 14, 2001
Pre-Filed Testimony of Intervenors	December 21, 2001
Last Day to Issue Discovery	January 8, 2002
Final Discovery Responses Due	January 15, 2002
Evidentiary Hearings	January 28, 2002 January 29, 2002 January 30, 2002 January 31, 2002
Simultaneous Initial Briefs	Two weeks after the close of evidentiary hearings ⁶

⁴ Although joint public hearings are being held in conjunction with Investigation into the service quality of Massachusetts Electric Company, D.T.E. 01-68, these two proceeding are not consolidated for the purpose of investigation.

⁵ See n.1, above. MECo was directed to update its performance data as necessary to include all actual performance data from May 1, 2001, up to and including October 31, 2001. December 5th Letter at 9.

⁶ For example, if the last day of evidentiary hearings is January 30, 2002, simultaneous
(continued...)

Simultaneous Reply Briefs

Three weeks after the close of
evidentiary hearings⁷

III. ORDER

Accordingly, after due consideration, it is hereby

ORDERED: That the parties shall follow the above described procedural schedule for
the remainder of this proceeding.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr. Commissioner

Deirdre K. Manning, Commissioner

⁶ (...continued)
initial briefs will be due no later than the close of business on February 13, 2002.

⁷ For example, if the last day of evidentiary hearings is January 30, 2002, simultaneous
reply briefs will be due no later than the close of business on February 20, 2002.

